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LARRY CRAIG

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NEWS RELEASE

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Dan Whiting (202) 224-8078
Sid Smith (202) 224-8708

Untapped Potential
by Senator Larry Craig

Great expanses of Idaho and the West are very dry regions. Bone dry. However, despite the dry climate, many of these places turn out to be very well-suited to agriculture when a little water is added. But what if the government – whether it was federal, state or local – passed a law that prohibited irrigation or any other use of water from lakes, rivers and streams?

Strangely enough, as American families fork over \$3 per gallon of gasoline, the United States takes a very similar approach when it comes to developing reserves of oil and natural gas within our borders or just off our shores. Massive reserves lie untapped, trapped not only by layers of soil and rock, but also by layers of smothering environmental regulations and outdated hysteria.

Oil is a commodity traded on a world market. Prices have risen so high recently because demand has been rising much faster than supply. Many have asked me why demand has suddenly skyrocketed in the last few years.

One reason is the U.S. economy continues to grow, and as it does, its need for energy grows, too. Another reason is that China and India, both nations with more than 1 billion people, are industrializing and modernizing their economies, and those economies, like ours, are growing. What used to be a healthy margin for error in the world's supply of oil has been gobbled up by these nations and others like them whose economies are very rapidly expanding and using more and more energy supplies.

Recognizing this trend, about 10 years ago, a Republican-controlled Congress approved environmentally responsible drilling in the Arctic National Wildlife Refuge (ANWR). Although drilling would not have threatened the environment – endangered caribou herds have actually increased since the Alaska pipeline was finished, using it for warmth – then-President Clinton vetoed the bill.

Today, ANWR would be producing 1 million barrels of oil each day, had it been developed. The chairman of the Senate Energy and Natural Resources Committee, Senator Pete Domenici noted that the estimated reserves in ANWR are enough to replace what we import from Iran. Even in a global market, an additional 1 million barrels a day is a significant amount that would undoubtedly bring the price of oil down.

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Natural gas prices are exceptionally high as well, which is why the Energy committee recently approved legislation to open an area in the Gulf of Mexico known as Lease Sale 181 for exploration. This area is estimated to contain enough natural gas to heat 6 million homes for 15 years. Despite the fact that no exploration or development would take place within 100 miles of U.S. shores, well out of sight of land, some in Congress still oppose this bill.

While the Democrats threaten to filibuster Lease Sale 181, oil companies from China may soon be drilling closer to our shores than we are in the Gulf. Through an agreement with the Cuban government, Chinese companies are allowed to explore for oil and natural gas in Cuba's Exclusive Economic Zone, which extends 45 miles from Cuban shores. Soon, it may be possible to see Chinese oil rigs from the shores of the Florida Keys.

Enough is enough. I am not content to sit atop massive domestic deposits of oil and natural gas while American families pay through the nose for a tank of gasoline. I will not accept the argument that 100 miles off the Florida coast is too close to drill, while communist China develops reserves only 45 miles away. U.S. companies are much more environmentally conscious, skilled, and have a better safety record than the Chinese. If we are serious about protecting the environment, we should not overlook these facts.

In closing, alternative sources of energy can and must play an increasing role in the U.S. energy portfolio. President Bush and Congress are dedicating billions of dollars to the research and development of ethanol, biodiesel, hydrogen fuel cells, wind and solar power, nuclear energy and many other forms.

The reality, however, is that it will be years, maybe decades, before any of these are economically viable. The energy bill we passed last summer was more of a long range solution, and will take time to make an impact. So in the meantime, it would be wise to make full use of what is at hand. We can do it safely and responsibly, with minimal impact to the environment. Let's keep our economy well-watered, instead of watching that river roll by.